

STATE OF CALIFORNIA

KATHLEEN CONNELL,  
CONTROLLER OF CALIFORNIA

---

OFFICE OF STATE CONTROLLER  
PERSONNEL/PAYROLL SERVICES DIVISION  
300-Capitol Mall  
P.O. Box 942850  
Sacramento, CA 94250-5878

Date: December 27, 1999

PAYROLL LETTER # 99-025

To: All Agencies/Campuses in the Uniform State Payroll System

From: Ralph Zentner, Chief  
Personnel/Payroll Operations Bureau

Re: NEGOTIABILITY PERIOD OF A PAYROLL WARRANT

Recently, the State Controller's Office has received inquiries concerning the period of negotiability for payroll warrants and the process for re-issuing funds. In response, the following information is provided to clarify the process for handling payroll warrants that have reverted to an escheat account.

With the passage of Assembly Bill 874 (Chapter 20, Statutes of 1997), the period of negotiability for a State Controller's Office issued payroll warrant was reduced from four (4) years to one (1) year. Payroll warrants issue dated December 31, 1997 and prior are valid for four (4) years from their issue date. However, warrants issue dated January 1, 1998 and later are only valid for one (1) year from their issue date.

Per Department of Finance Budget Letter Number 98-18, dated August 3, 1998, payroll warrants issued on or after January 1, 1998 that are not cashed within one year after the issue date will revert to an escheat revenue account in the fund from which warrants were drawn. Requests for payments from the escheat revenue account can be made within two years from the date the payroll warrants were credited to the account.

Agencies/campuses must submit claim schedules to the Controller's Office to re-issue funds from the escheat revenue account. See the State Administrative Manual (SAM) Section 8281 for instructions. Requests for payments older than two years after the reversion date of the warrants are to be processed in the same manner as claims against reverted appropriations (see SAM Section 8422.7).

A corrected Form W-2 will not be issued when a payroll warrant becomes stale dated (i.e., not cashed within one year from the issue date) unless the warrant becomes non-negotiable prior to the employee's receipt. If the employee is entitled to the payment (i.e., the stale dated payroll warrant is not an overpayment), agencies/campuses must submit a Form STD. 674, Payroll Adjustment Notice, to request a corrected Form W-2. The Form STD. 674 must be submitted after the repayment from the claims process was received. A copy of the remittance advice issued from the claims process must be attached to the Form STD. 674. Complete the Form STD. 674 per the Payroll Procedures Manual (PPM) Section D 011 with the following exceptions:

Item #5 - Do not "X" any of the boxes; enter the following in the REMARKS Section:  
Please issue corrected Form W-2 due to the repayment of stale dated payroll warrant as employee did not receive the original warrant. See attached remittance advice for the repayment.

Item #6B - Do not complete.

Item #6C -Do not complete.

Send the completed Form STD. 674 and required attachment to: Attention: W-2 Unit.

If a stale dated payroll warrant is erroneous (i.e., would create an overpayment if it was issued to the employee), agencies must submit a Form STD. 674 to request a redeposit of the warrant. The Form STD. 674 must be submitted after the repayment from the claims process was received. The General Disbursement Warrant issued from the claims process and the original payroll warrant including the statement of earnings and deductions must be attached to the Form STD. 674. Complete the Form STD. 674 per PPM Section I 310 with the following exceptions:

Top of the Form STD. 674 - print the following in red ink:

"REDEPOSITING A STALE DATED WARRANT"

Item #5 - Enter the following in the REMARKS Section:

Please redeposit the stale dated payroll warrant # (enter the warrant number). See attached General Disbursement Warrant, original payroll warrant and earnings statement.

Item #6B - Complete if employee is due pay or enter 'NONE' if employee is not due pay.

Send the completed Form STD. 674 and required attachments to the State Controller's Office, Administration and Disbursements Division (ADD) (see PPM Section I 318.60).

Revisions to the PPM are forthcoming. Questions regarding the stale dated warrant process should be directed as follows:

<u>SUBJECT</u>	<u>CONTACT</u>	<u>TELEPHONE NO.</u>
Redepositing Stale Dated Warrant	Kathy Pesut, ADD	(916) 322-7291 CALNET 492-7291
Reschedule Pay	Payroll Liaison Unit	
	Civil Service	(916) 323-3081 CALNET 473-3081
	California State University	(916) 322-7980 CALNET 492-7980
Corrected Form W-2	Payroll Operations W-2 Unit	(916) 322-8100 CALNET 492-8100

RZ:LMC/PMAB